

12 December 1986

CHRISTIC INSTITUTE ATTEMPTS TO UNRAVEL CONTRA CONNECTIONS  
Y IRIS KRASNOW  
WASHINGTON

Six months ago, Danny Sheehan, general counsel of  
filed a \$23.8 million civil lawsuit in Miami against two dozen Contra leaders  
and former CIA officials.

Defendants in the suit, including Maj. Gen. Richard Secord, Iranian-born Albert Hakim and Virginia businessman Robert Owen, are now in the news in connection with the murky U.S.-Iran-Contra deal.

"The Christic lawsuit laid out the story in May on how these people are working together as a team," Sheehan said. "Nobody understood the relationship at the time."

The Christic Institute, a public interest law firm and policy center with a liberal-religious leaning, is made up of a handful of lawyers best known for winning a \$10.5 million judgment for the family of Karen Silkwood, the plutonium worker allegedly contaminated at the Kerr-McGee corporation.

Filed in May after a two-year investigation, the Miami suit charges the defendants with taking part in a scheme to sell cocaine to Americans and use the profits to arm and train the Contras, the anti-Sandinista military force battling the Nicaraguan government.

At that time, Sheehan told UPI his case would "establish the guilt in criminal conspiracies of high-ranking executives in the White House who will be impeached in 1987," adding, "there is some evidence suggestive of the involvement of current CIA and National Security Council officials."

Vice Adm. John Poindexter, head of the National Security Council, and NSC official Lt. Col. Oliver North tumbled from power Nov. 25 for their role in an operation that diverted profits to the Contras of up to \$30 million from U.S. arms sales to Iran.

Today, the 40-year-old Sheehan says of his prediction in May - "Things are going as planned." Since spring 1984, he has kept a file labeled "Impeachment" in his office 12 blocks from the Capitol.

The lawsuit was filed on behalf of husband-and-wife journalists Tony Avirgan and Martha Honey after Avirgan was seriously wounded along with two dozen others in the May 1984 bombing of the La Penca, Nicaragua, headquarters of anti-Sandinista rebel Eden Pastora.

Five people were killed in what the lawsuit charges was a plot orchestrated by a secret team to assassinate Pastora. Pastora was allegedly targeted because he refused to join forces with the F.D.N., a rival Contra army that he considered a puppet of the CIA.

According to the suit, a Costa Rican ranch managed by an expatriate American named John Hull served as a base for the secret team, composed of right-wing mercenaries who also smuggled cocaine and heroin into the United States to finance arms to the Contras.

The suit alleges the La Penca bombing was mapped out at the ranch, and that its airstrips were the crossroads for incoming U.S. flights loaded with guns and explosives, and planes carrying narcotics to Miami.

Among the two dozen defendants named are Hull; Adolfo Calero, head of the Contra Nicaraguan Democratic Force; retired Maj. Gen. John Singlaub, chairman of the board of the World Anti-Communist League; and former CIA officials Theodore Shackley and Thomas Clines.

Defendant Hull sued Honey and Avirgan for libel in a Costa Rican court, but the case was dismissed.

Other defendants, charged six months ago with "operating through businesses such as CSF Investments Ltd. to unlawfully purchase and transport arms and explosives," are now surfacing in the news:

-Second, former deputy assistant secretary of defense, reportedly directed the purchase of C-123K aircraft for the Contras through a Swiss finance firm, Compagnie de Services Fiduciaires S.A., also known as CSF Investments Ltd. CSF's bank account in the Cayman Islands was reported to be the recipient of money from the Iranian arms sale.

-Rafael "Chi Chi" Quintana, Cuban exile and CIA contract employee during the aborted 1961 Bay of Pigs invasion, reportedly coordinated U.S. arms shipments through Costa Rica to be flown to Nicaragua.

-Hakim, a native Iranian and California-based business associate of Second, said to have been the financial mastermind of the scheme to aid Nicaraguan rebels with profits from U.S. arms sales to Iran.

-Virginia businessman Owen, charged in the suit with "conspiring to provide money for the purchase of explosives and arms," was North's reported liaison with the Contras.

Owen's business card was found on the body of the co-pilot of the American C-123K that was carrying arms to the Contras when it was shot down Oct. 5. Eugene Hasenfus, sole survivor of the flight, was tried and sentenced to 30 years in a Nicaraguan prison.

Sheehan, testifying to the House Subcommittee on Western Hemisphere Affairs Oct. 15., charged the executive branch with cooperating in at least part of the scheme.

In part, his statement said he thinks his evidence showed "the United States executive branch personnel willfully violated the 1984 Boland Amendment passed by Congress forbidding U.S. government officials from providing either direct or indirect military aid to the Contra forces ..."

In early fall, Congress approved \$100 million in Contra aid to become effective fiscal 1987, lifting the ban.

The suit also alleges that Shackley has been involved in the drug trade since 1965, when he began a long stint in Laos for the CIA. According to the suit, he aided a man named Van Pao to become the region's principal opium trafficker by arranging the assassination of competitors.

In return, the suit charges, Shackley's team, which included CIA agent Clines, received a percentage of the income from Van Pao's "China white" heroin sales, using the money to establish a political assassination operation based in Laos.

When Vice President George Bush was CIA deputy director of operations in 1976, Shackley was the agency's director of covert operations.

"The biggest shock for the American people is going to be the drugs," Sheehan said. "The massive drug smuggling that's been used to help finance the Contra weapons to the tune of at least a ton of cocaine per week coming into this country that we know of."

STAT

•  "The major influx of cocaine into the United States comes from Colombia through Pablo Escobar and Jorge Ochoa (also defendants in the suit) through the Costa Rican connection on John Hull's farm into Miami."

Escobar and Ochoa have been indicted several times for smuggling drugs in Florida and are currently fugitives.

In court documents, Ochoa and his family are said to control a "massive" cocaine manufacturing and distribution network within the notorious Medellin Cartel out of Colombia.

Sheehan based his allegations linking gun running to drug trafficking on "first-hand accounts from high-level DEA officials, customs agents, ex-CIA officials, pilots who flew drugs and arms, and guys inside the ministry of security down in Costa Rica," who may be called as witnesses.

He is aware his conclusions are hard to believe, but the former investigator in the office of F. Lee Bailey is unfazed.

"It was the same thing in the Silkwood case," said Sheehan. "We fought and fought and struggled to get the case into trial, and people thought we were crazy."

Sheehan said he will file a 100-page affidavit in Miami federal court Dec. 15 in which allegations of the executive branch's early involvement in gun smuggling to the Contras are spelled out.

So far the case has cost the institute \$75,000, all donated funds. As a public interest law firm, the staff receives no legal fees or percentage of settlements.

Three Christic Institute attorneys on the Contra case are up against two dozen big law firms representing the defendants. One opposing lawyer is Anthony Lapham, general counsel for the CIA from 1976-1980, who was retained by Contra leader Calero.

Sheehan called the unearthed U.S.-Iran-Contra connection a "blessing" for his case. If his investigation proceeds with subpoena power, he believes the Watergate II he predicted will "start being played out by summer 1987."